

# GOVERNMENT OF THE DISTRICT OF COLUMBIA

## Department of Employment Services

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### FOR IMMEDIATE RELEASE

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### **The D.C. Department of Employment Services Collected over \$1 Million in Overpayment Debt through the Treasury Offset Program**

**Washington, DC** – As part of the District’s greater effort and increased focus to recoup unemployment insurance (UI) overpayments as a result of fraud and/or improperly paid benefits, the D.C. Department of Employment Services (DOES) has undertaken an aggressive recovery initiative resulting in the collection of over \$1.3 million in delinquent debts.

DOES began intercepting state tax refunds nearly two (2) decades ago, beginning in January 1994, from individuals who did not make satisfactory arrangements with the agency to repay improper UI overpayments.

In late 2011, DOES joined the U.S. Department of the Treasury’s [Treasury Offset Program \(TOP\)](#), a debt collection program, administered by the Financial Management Service (FMS), that allows state agencies to submit past-due, legally enforceable state income tax obligations to FMS for offset of the debtor’s individual federal income tax refund.

Beginning In December 2011, DOES, through the Office of Tax and Revenue (OTR), mailed Notices of Intent to Offset to former and current District of Columbia UI benefit recipients who were issued improper overpayments. The Notice of Intent to Offset gives individuals a 60-day window to make arrangements to repay their debts. For those who do not resolve their debts within the 60-day time frame, the process to intercept individual federal tax refunds is initiated. In April 2012, DOES saw a substantial increase in its rate of UI overpayment recovery through the intercept of federal income tax refunds via TOP.

“It is important that people realize that we are serious,” said DOES Director Lisa María Mallory. “Those who have not made the necessary arrangements with us to pay back any improper unemployment payments will see a reduction in their federal tax refunds.”

The District joins nineteen (19) other states, including Maryland, Michigan, New York, and Wisconsin, in its efforts to recover payments through the Treasury Offset Program.

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**About DOES:**

The mission of the Department of Employment Services is to plan, develop, and administer employment-related services to all segments of the Washington, DC metropolitan population. We achieve our mission through empowering and sustaining a diverse workforce, which enables all sectors of the community to achieve economic and social stability.